

**STATEMENT OF
RICHARD M. BANK
EXECUTIVE DIRECTOR
MONTGOMERY COUNTY EDUCATION ASSOCIATION**

before

**UNITED STATES SENATE COMMITTEE ON GOVERNMENTAL AFFAIRS
SUBCOMMITTEE ON FEDERAL SERVICES, POST OFFICE, AND CIVIL SERVICES**

on

SHARED LEAVE AND LEAVE BANK PROGRAMS

Mr. Chairman and members of the subcommittee:

Thank you for inviting me to appear this afternoon to discuss MCEA's sick leave bank and the concepts of shared leave and leave bank programs.

MCEA is the collective bargaining agent for over 7,000 Montgomery County Maryland teachers and is an affiliate of the Maryland State Teachers Association and the National Education Association. As collective bargaining agent, MCEA has negotiated contracts with the Montgomery County Public School System (MCPS) since 1968. Since 1971, the contract between MCEA and MCPS has incorporated a sick leave bank for teachers, governed by rules and procedures agreed to by the parties.

The bank grants sick leave to employees who have exhausted their own sick leave and are disabled from work. Employees are not liable to repay these grants.

MCEA unit members consider the sick leave bank to be a valuable benefit. Last year, over 85% of them enrolled, and that percentage is growing.

Sick leave bank membership is voluntary, and all MCEA bargaining unit members are eligible to participate. To be immediately eligible to participate, applicants must meet strict guidelines requiring them to apply within thirty days of their initial employment or by October 1, whichever is later. Unit members may apply afterwards during an annual "open season" which runs from May 1 to June 30 of each year. However, those who apply during "open season" must wait one year following enrollment to draw benefits from the sick leave bank.

Unit members joining the sick leave bank must donate a specified number of sick leave days. Full-time 10 month employees donate two days. Full-time 12 month employees donate 2.5 days. The donations of unit members who become employed in the second semester, and of part time employees, are prorated.

After their initial donation, full-time employees renew sick leave bank membership by donating one additional day of sick leave every year. Part-time employees donate a prorated share. An employee may cancel membership by written notification to the bank.

Statement of Richard M. Bank
Page 2

To obtain sick leave bank benefits, an applicant must first complete a sick leave bank form available from the union, on which the applicant's principal verifies the applicant's absence from school. The applicant must also submit the statement of a qualified physician detailing the applicant's disability.

To obtain sick leave bank benefits for the first time in any year, an applicant must have exhausted his or her sick leave, and must have been disabled from work for at least five work days. Benefits granted do not retroactively cover the five day waiting period.

An applicant who returns to work after receiving a grant, and who becomes disabled from work during the same year from the same condition, is eligible for another grant without a new waiting period. If the applicant becomes disabled from work during the same year from a different condition, he or she is eligible for benefits following a two day waiting period.

The bank grants benefits in increments of no more than 30 work days, and employees must submit a current medical diagnosis and prognosis every 30 days. In cases of psychological disability, the employee's physician must include a more detailed prognosis and treatment plan before additional leave is granted.

Employees are eligible for up to 240 days of leave from the bank. After a one year waiting period, they are eligible for another 120 days. No leave from the bank is available after a member exhausts 360 days of leave.

Leave bank requests are decided by a committee consisting of two union representatives, who are classroom teachers, and one MCPS representative. The MCPS representative has the authority to veto leave bank requests. However, granting or denying requests has not been a partisan labor-management issue. Indeed, the committee has agreed on the disposition of every application in recent memory. There is no appeal from the committee's decisions.

The committee may request a second medical opinion before deciding whether to make or continue a grant. The employee bears the cost of this opinion.

The bank does not grant leave for disabilities covered by worker's compensation. However, because it takes time to process and litigate compensation claims, the bank often advances leave for compensable injuries. If the right to compensation is established, the employee reimburses the sick leave bank from compensation benefits.

If the sick leave bank committee believes that disability from work is permanent, it may condition additional leave grants upon an employee's agreement to request a disability or other retirement. Pending disposition of the retirement application, the bank will normally continue the employee's grant.

Statement of Richard M. Bank
Page 3

The most significant sick leave bank problem has been occasional low reserves. Twice in the past 15 years, the bank was in danger of "bankruptcy." Each time, the bank assessed its members one additional day of sick leave to build up sick leave reserves. The bank has also protected itself by limiting the normal enrollment period, and by instituting a one year waiting period for benefits if an enrollment application is submitted later. These restrictions inhibit employees from waiting until they become sick to join the bank.

These measures have worked. Last year, the sick leave bank held its greatest reserves in history, while still approving 91% of the applications it received.

Employees support the sick leave bank enthusiastically. They know that the availability of sick leave from the bank makes the difference in a time of desperate need between dignity with a decent income and utter hopelessness. They also know that the bank is administered in a fair and impartial manner.

Certainly, there are abuses. There are in any system. But these are isolated.

Sometimes, an employee having difficulty at work will feign psychological illness as a pretext to leave employment for an extended period while being paid. Sometimes, an employee will request a sick leave grant for a physical condition that is not truly disabling. A few of these subterfuges undoubtedly succeed, but they are vastly outnumbered by valid grants to employees with grave and disabling illnesses or injuries.

The collective bargaining agreement provides that the Superintendent of Schools may unilaterally dispense extended sick leave at three-fourths an employee's pay rate. This is no substitute for the sick leave bank. Extended sick leave is granted at the sole discretion of the employer without guiding standards. In contrast, the sick leave bank allows employees to use their own resources to help themselves and each other under public and consistently applied rules.

While MCEA has little experience with leave sharing, we endorse it as a supplement to the insurance against catastrophic illness and injury that a sick bank provides. Leave sharing should not, however, be considered a substitute for the sick leave bank approach.

A sick leave bank like MCEA's assures that assistance is not dependent upon the good will of individual employees in particular circumstances. Benefits are granted by a committee accountable to the union and management and are available to any employee who meets standard eligibility criteria. This system protects against the possibility of favoritism and coercion inherent in a system under which individuals donate leave directly to each other.

One substantial difference between the MCEA leave bank and pending federal legislation is that the bank does not provide leave for employees to care

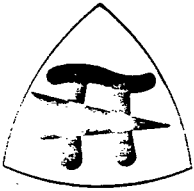
Statement of Richard M. Bank
Page 4

for ill or injured dependents. There has been little discussion about dependent care coverage, largely because no one is certain how its inclusion would affect leave use. No study or projection has been done, but rough inferences from our group health insurance programs give us some concern. There, dependent care costs, especially for serious illness, are rapidly escalating. Our guess is that to extend sick leave bank coverage to cover care for dependents could require a doubling of sick leave donations. This is a price many members would question.

These practical constraints in no way detract from our support for the idea that pooled leave should be granted to employees who must care for dependents. This is an excellent proposal, and we applaud its inclusion in bills now before Congress.

MCEA's extensive experience with its sick leave bank demonstrates convincingly that empowering employees to pool their leave provides an indispensable and dependable bulwark against the disastrous loss of income that often accompanies serious illness or injury. We hope Congress will enact enabling legislation for federal employees soon.

For your convenience, I have attached summary reports of sick leave bank operations for the past three years.



Montgomery County Education Association

1776 EAST JEFFERSON STREET, SUITE 220
Mark Simon, President

• ROCKVILLE, MARYLAND 20852 • PHONE: (301) 881-5305
Walter W. Rogowski, Executive Director

August, 1985

MEMORANDUM

TO: Mark Simon
MCEA President

Dr. Wilmer S. Cody
Superintendent of Schools

Board of Directors
of MCEA

Faculty Representatives
of MCEA

FROM: Carol Bergen, Chairperson
MCEA Sick Leave Bank Committee

RE: Report of the Sick Leave Bank
(July 1, 1984-June 30, 1985)

The following is the most recent data available on the status of the Sick Leave Bank as of June 30, 1985.

1.	Total Membership	5,055
2.	a. Balance from previous year (days)	2,402.5
	b. Total number of days contributed	4,846.8
	c. Total number of days available for use	<u>7,249.3</u>
3.	Total number of persons making application for use	191
4.	Total number of persons given grants	173
5.	Total number of persons given grants more than once	69
6.	Total number of grants given	337
7.	Total number of days granted by Committee	5,699.2
8.	Average number of days granted per grant	16.9
9.	Average number of days granted per person	37.9

-over-

Report of Sick Leave Bank
pg. 2

10.	Number of days used	4,909.2
11.	Average number of days per person	28.3
12.	Adjustments, includes payroll processing corrections, voucher corrections, incomplete grants, days returned to the Bank, etc.	288.4
13.	Balance as of June 30, 1985 (days)	2,051.7
14.	Total number of Committee meetings	23

MCEA:pg

cc: Phyllis Cochran
 Lisa Graffen
 Jess Graham
 Walt Rogowski
 Rob Landau



MONTGOMERY COUNTY EDUCATION ASSOCIATION

1776 East Jefferson Street • Suite 220 • Rockville, Maryland 20852

Mark Simon, President

Rick Bank, Executive Director

Phone: (301) 881-5305

September, 1986

MEMORANDUM

TO: Mark Simon
MCEA President

Dr. Wilmer S. Cody
Superintendent of Schools

Board of Directors
of MCEA

Faculty Representatives
of MCEA

FROM: Carol Bergen, Chairperson
MCEA Sick Leave Bank Committee

RE: Report of the Sick Leave Bank
(July 1, 1985-June 30, 1986)

The following is the most recent data available on the status of the Sick Leave Bank as of June 30, 1986.

1.	Total Membership	5,334
2.	a. Balance from previous year (days)	2,051.7
	b. Total number of days contributed	<u>5,479.4</u>
	c. Total number of days available	7,531.1
3.	Total number of persons making application for use	185
4.	Total number of persons given grants	176
5.	Total number of persons given grants more than once	56
6.	Total number of grants given	295
7.	Total number of days granted by the Committee	5,415
8.	Average number of days granted per grant	18.4

Teachers Working For Quality Education

(over)

Report of the Sick Leave Bank
pg. 2

9.	Average number of days granted per person	30.7
10.	Number of days used	5,027.8
11.	Average number of days used per person	28.5
12.	Adjustments, includes payroll processing corrections, voucher corrections, incomplete grants, days returned to the Bank etc.	121.5
13.	Balance of days as of June 30, 1986	2,381.8
14.	Total number of Committee meetings	23

MCEA:pg

c: Phyllis Cochran
Lisa Graffen
Bob Knotts
Rob Landau



Phone: (301) 881-5305

MONTGOMERY COUNTY EDUCATION ASSOCIATION

1776 East Jefferson Street • Suite 220 • Rockville, Maryland 20852

Mark Simon, President

Rick Bank, Executive Director

October 5, 1987

TO: Mark Simon
MCEA President

MCEA Board of Directors

Dr. Harry Pitt
Superintendent of Schools

Association Representatives
of MCEA

FROM: Carol Bergen, Chairperson
MCEA Sick Leave Bank Committee

RE: Report of the Sick Leave Bank for the 1986-87 School Year

The following is the most recent data available on the status of the Sick Leave Bank. This information is for the year ending June 30, 1987.

- | | | |
|----|---|-------------------|
| 1. | Total Membership | 5,931 members |
| 2. | a. Total number of days contributed
(1986-87 school year) | 6,328 days |
| | b. Balance from previous year
(1985-86 school year) | <u>2,381 days</u> |
| | c. Total number of days available for
use for the 1986-87 school year) | 8,709 days |
| 3. | Total number of persons making
application for use | 186 |
| 4. | Total number of persons given grants | 175 |
| 5. | Total number of persons given grants
more than once | 59 |
| 6. | Total number of grants given | 307 |
| 7. | Total number of days granted by the
Committee | 5,362 |

-over-

Teachers Working For Quality Education

8.	Average number of days granted per grant	17.4
9.	Average number of days granted per person	30.6
10.	Number of days used	4,937.5
11.	Average number of days used per person	28.2
12.	Adjustments, includes payroll processing corrections, voucher corrections, incomplete grants, days returned to the bank.	67.9
13.	Balance as of June 30, 1987 (days)	3,703.6
14.	Total number of Committee meetings	24

MCEA:pg

cc: Phyllis Cochran
Lisa Graffen
Bob Knotts
A. Rico